



AUSTIN ENERGY
ANNUAL REPORT



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Customer Driven. Community Focused.

As a public power utility, Austin Energy has the responsibility to build a better Austin for our community and our customers. Customer Driven and Community Focused is our promise to those we serve. It means that in our mission, vision and daily operations, we put them first.

MISSION:

To safely deliver clean, affordable, reliable electricity and excellent customer service.



VISION:

To drive customer value in energy services with innovative technology and environmental leadership.



Public Utility, Public Guidance.



Austin Energy is a public power utility and a department of the City of Austin. This establishes the Austin City Council as the governing body for Austin Energy, providing oversight and policy direction for the utility. Austin's City Manager and Austin Energy's General Manager are responsible for the safe and effective operations of the utility. *(Pictured here is the Council in 2019.)*



JACKIE A. SARGENT
Austin Energy
General Manager

Lighting the Way Forward

A message from Austin Energy General Manager Jackie Sargent

2020 was a challenging time for the nation and our community, but as I reflect back on the year, there's more to it than the obstacles we faced. I am reminded how grateful I am for the flexibility and dedication of Austin Energy staff and the resiliency and perseverance of our community. Austin Energy's mission is to safely deliver clean, affordable, reliable energy and excellent customer service. As you will find in this year's annual report, Austin Energy met this measure by adapting, adjusting and innovating.

Austin Energy's history gave us the foundation to adapt when COVID-19 reached Central Texas. To keep our community and employees safe, we activated our Incident Command system so we could more efficiently outfit staff with personal protective equipment and maintain our connection with customers even as we shifted to a work-from-home environment. This is how we continued to power a community through a pandemic.

Austin Energy is a public power utility. That's why we are Customer Driven and Community Focused. In FY 2020, that focus led us to find more ways to help the community under strain from COVID-19. In partnership with the City of Austin, we provided Utility Bill Relief, expanding the Plus 1 Emergency Financial Support Program to give immediate assistance to those having trouble paying their utility bills. We also supported neighboring communities that went through additional emergencies outside of the pandemic. When hurricanes hit South Texas and Louisiana, our concern for the community extended beyond our local borders, and we were able to provide mutual aid to help bring power back to those that needed it.

While the challenges of FY 2020 caused us to quickly adapt our operations to a new and unprecedented environment, Austin Energy also looked ahead to the future. We want to be ready to tackle new obstacles to the electric industry and continue to deliver on community needs. The Austin Energy Generation, Resource and Climate Protection Plan to 2030 — approved in FY 2020 — aims to do just that. It serves as a road map for how we can our affordably meet our resource and emissions goals while still providing reliability to the region.

Another piece of that reliability is modernizing our system to keep up with the community's growth. In FY 2020, we upgraded our Advanced Distribution Management System giving us more information about the state of our electric system and any issues that may affect customers. Along with that, we continue to build out our District Cooling System to meet growth, and District Cooling Plant #3 made significant strides toward completion this past year.

It is an honor to serve as Austin Energy's General Manager. I am thankful that — as the utility has done in the past and will continue to do in the future — Austin Energy is lighting the way forward.

Sincerely,

A handwritten signature in blue ink that reads "Jackie A. Sargent". The signature is fluid and cursive.

Jackie A. Sargent

Spotlight

Austin Energy lights the way forward for our community. We are a diverse team that works day in and day out to ensure the region has the power it needs to thrive. Here is a high-level look at how we are doing.

In **FY 2020**, Austin Energy added more than **11,000** customers to the system.

That brings total **FY 2020** customers to **507,660** (unaudited)

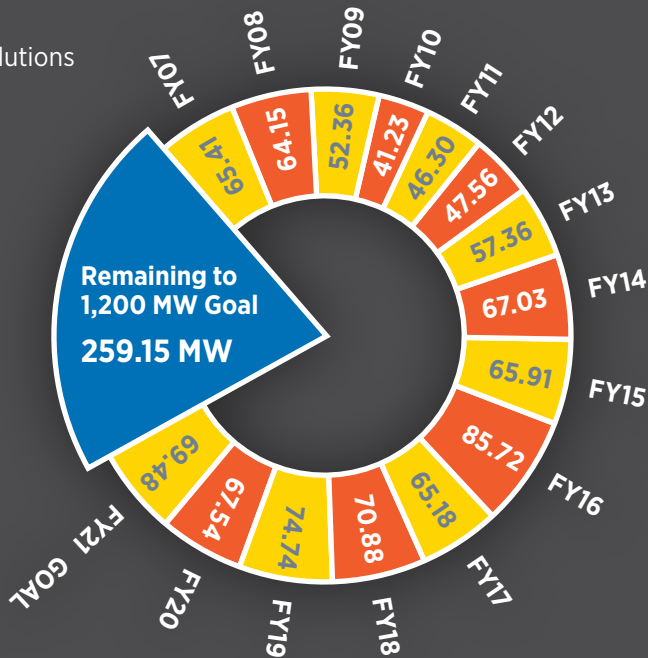
STANDARD AND POOR'S BOND RATING

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FY 2020

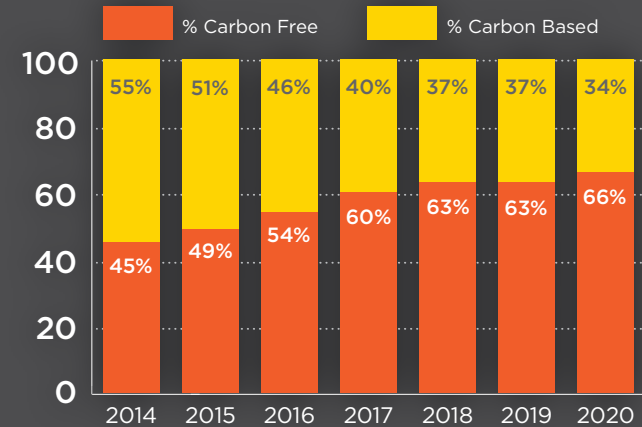
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Target

Energy Efficiency Results for FY 2020

Customer Energy Solutions has a goal of saving 1,200 MW by 2030 through its energy efficiency programs. This chart tracks the progress to that goal.



Progress to Carbon-Free Resources for FY 2020



Reliability for FY 2020

Reliability means customers have the power they need, when they need it. Austin Energy works 24/7 to keep the lights on and the power flowing for Central Texas residents.

	Austin Energy	TX Electric Utilities Average
System's average length outage (minutes)	82.29	88.80
System's average number of interruptions a year per customer	0.68	1.29
Customer's average interruption length (minutes)	55.96	198.45

Audited Income Statement

\$ In Millions	Fiscal Year Ended	
	Sept. 30, 2020	Sept. 30, 2019
Operating Revenues	\$953	\$952
Power Supply Revenue	420	495
Power Supply Expense	368	469
Non-Fuel Expenses	764	684
Depreciation Expense	286	204
Operating Income/(Loss)	(45)	90
Other Revenue (Expense)	121	23
General Fund Transfer	(111)	(110)
Net Income/(Loss)	(\$35)	\$3
Debt Service Coverage	2.1	4.0
Debt to Capital Ratio	53%	52%

Audited Comparative STATEMENT OF NET Position

\$ In Millions	Sept. 30, 2020	Sept. 30, 2019	Change
Cash	402	407	(5)
Accounts Receivable (net)	142	149	(7)
Power Supply Under Recovery	-	21	(21)
Debt Service — ST	81	79	2
Contingency Reserve	107	106	1
Power Supply Stabilization Reserve	110	108	2
Capital Reserve	70	69	1
Nuclear Decommissioning Reserve	236	232	4
Other Restricted Assets	178	146	32
Other Assets	1,531	1,290	241
Capital Assets	2,968	3,004	(36)
Total Assets	5,825	5,611	214
Current Liabilities	176	161	15
Power Supply Over Recovery	7	-	7
Other Over Recoveries	28	41	(13)
Revenue Bonds	1,928	2,014	(86)
Commercial Paper	162	27	135
Other Long-Term Liabilities	1,650	1,459	191
Retained Earnings	1,874	1,909	(35)
Total Liabilities and Fund Equity	5,825	5,611	214



Lighting a Brighter Future for 125 years

Austin Energy is as original as Austin. We have served this community since 1895, and May 2020 marked our 125th anniversary.

Back in the 1890s, the community wanted a different way to get electric service, and they saw public power as the best option to meet their needs. With the lighting of the original 31 moonlight towers, Austin Energy — then known as Austin Power and Light — began to power the community. Our history has helped us build a legacy in Austin. From the moonlight towers to the award-winning Customer Assistance Program to recovery efforts after floods and hurricanes, we are dedicated to building a stronger utility and community.

Every day, Austin Energy works to continue our legacy of service, dedication and innovation. This is the value we bring to the community, and this is how Austin Energy will continue to light a brighter future for years to come.

LOOKING BACK.

With 125 years of service behind Austin Energy, we are proud of our role in supporting our community and region to become a nationally recognized destination. It's been a unique journey, and **the documentary below gives you a glimpse** into how powering the moonlight towers turned into providing essential services to one of the fastest growing regions in the country.



HIT THE HIGHLIGHTS.

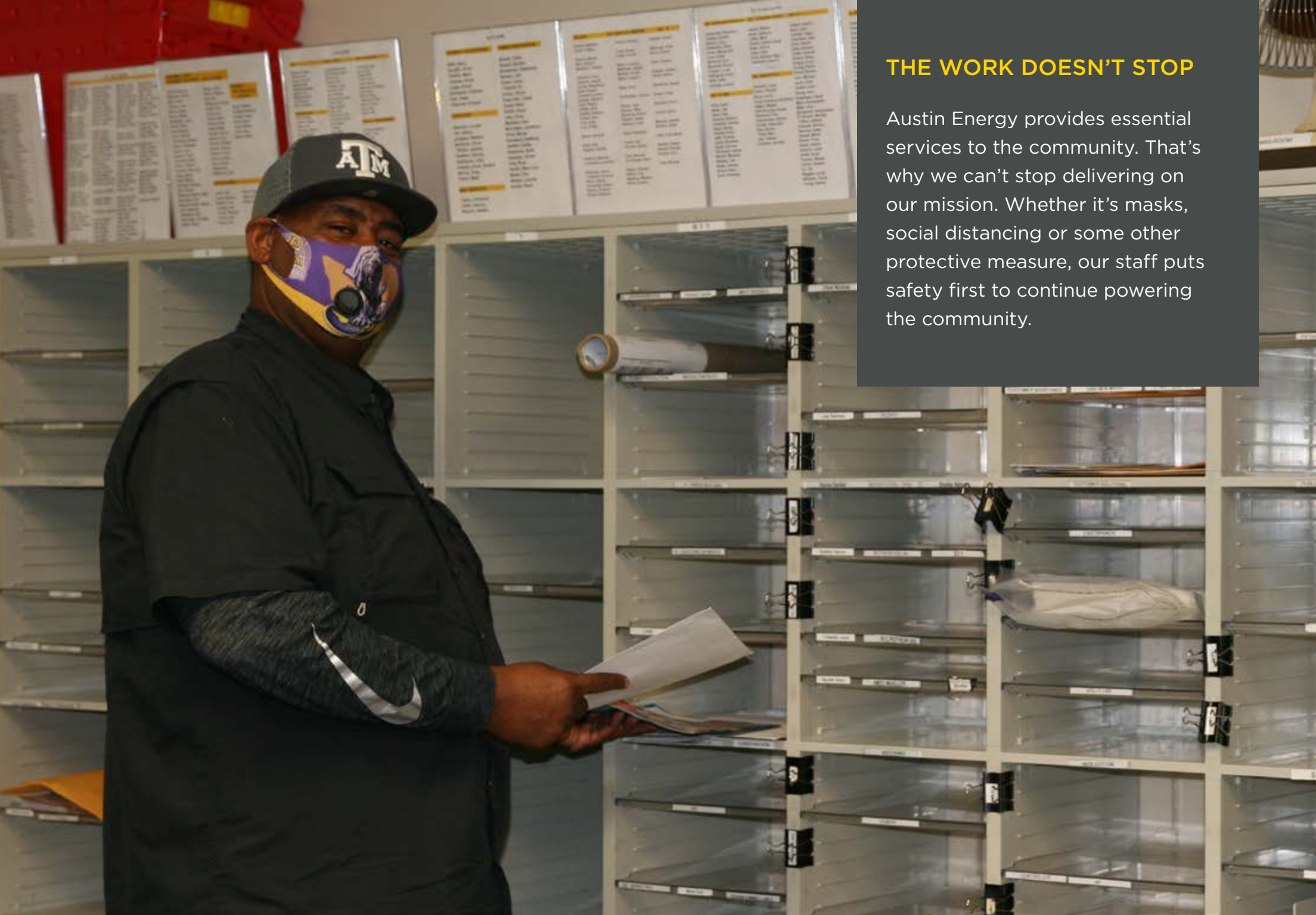
Austin Energy has a long history here in Texas' capital city. **You can go back in time and scroll through this timeline** to get a better idea of where we've come from and how we've grown into a modern, innovative utility.





CONTINUING A LEGACY

Though the pandemic changed how we intended to celebrate our 125th anniversary, we've still been able to share our accomplishments and reaffirm our commitment to Lighting a Brighter Future through commemorative activities and an employee meeting early in the year.



THE WORK DOESN'T STOP

Austin Energy provides essential services to the community. That's why we can't stop delivering on our mission. Whether it's masks, social distancing or some other protective measure, our staff puts safety first to continue powering the community.

Providing a Light Through the Pandemic

Customer service never stops

Though we intended to fully celebrate Austin Energy's 125th anniversary, FY 2020 came with its own unique challenges. COVID-19 swept across the globe, and the effects of the pandemic were felt locally. When the Stay Home — Work Safe Order came down from the Austin City Council, safety was the first order of business for Austin Energy. To meet those priorities, Austin Energy moved 2,380 employees and contractors off-site to telework. That left about 350 employees reporting to a worksite to perform their duties, many making sure the power stayed on for the community.

For Austin Energy's Customer Care and the Utility Contact Center, safely continuing service meant shifting nearly 200 customer service representatives to telework in less than a month.



“I am so proud of my team. In spite of work that still had to get completed, [everyone] worked together to carry out the Herculean task of deploying staff remotely in short order.”

— Jennifer Floyd,
Director of Customer Care Services

It required the team to get creative with technology needs and establish new processes to ensure customer information stayed private. For the dozen or so call center staff that stayed in the office, they followed all social distancing guidelines and safety protocols.



“A lot of customers have never been in this situation. They've never been financially impacted like they are now. We're doing everything we can to help our customers. 'No' is not in our vocabulary.”

— James Hernandez,
Customer Service supervisor

For those 350 employees that still needed to report to a worksite to keep their work going, Austin Energy found ways to get personal protective equipment and new safety protocols in place.

For field crews, safety always comes first. COVID-19 added a few more protective layers for our crews, including hand sanitizer, gloves, masks and social distancing.

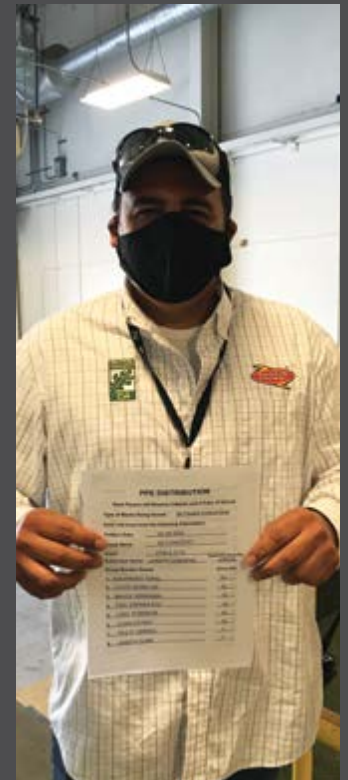
Austin Energy was lucky. We had a reserve of masks and gloves on hand when the pandemic started, and the utility was able to quickly source more of those supplies along with hand sanitizer. With weekly distributions, the supplies are available to those who need it.

As the pandemic conditions keep going, Austin Energy will continue to adapt. From improved operations to a new type of workplace that takes the pandemic's lessons to heart, we see these challenges as opportunities to grow into a better utility. Our employees and community count on it.



SAFETY STARTS WITH US.

The work we do at Austin Energy is essential, but so is the community's safety. We always make a point to put safety first. With the pandemic, that priority took on a new level of importance. Austin Energy made sure our crews and employees had the personal protective equipment they needed to do their jobs and keep themselves, their families and the community safe. [Click here to see a quick video highlighting those efforts.](#)



Providing a Light Through the Pandemic

Safely making sure customers stay connected

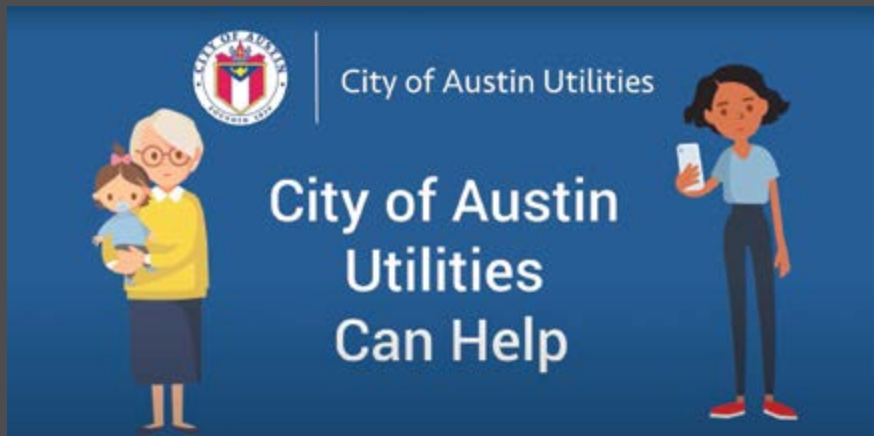
It was critical for Austin Energy to continue its operations safely, but as a public power utility, we knew we could do more to help the community weather the storm of COVID-19. Part of Austin Energy's legacy is providing for the community, even beyond electric service. We know we can make a difference, and because of the crisis, any amount of help went a long way.

One form of help Austin Energy and the City of Austin put into action was Utility Bill Relief. With guidance from the Austin City Council, Austin Energy and the City were able to expand the Plus 1 Emergency Financial Support Program to allow for utility bill assistance. Plus 1 provides immediate help to customers experiencing financial difficulties and are unable to pay their bill. The expanded measure went into place April 9, and through September, more than \$6 million in financial assistance has gone to help more than 10,000 residential customers.

Utility Bill Relief was a team effort with many different facets. Other assistance measures passed by the Austin City Council included:

- A reduction in Austin Water rates for all residential customers.
- A reduction in the Austin Energy residential and commercial Regulatory Charge.
- A reduction in Austin Energy rates for all residential use over 1,000 kWh.
- An increase in the Austin Energy Customer Assistance Program Discount.
- A reduction in Austin Water Customer Assistance Program water rates.

Though not all of these measures continued into FY 2021, Austin Energy continues to find ways to reach customers in need.



SPREADING THE WORD.

A program can only be effective if people know how to access the services. We spread the word about this assistance through social media, news outlets, press releases, newsletters, advertising and our community partners. **We produced this video** to help draw more attention to what Utility Bill Relief had to offer and how residents can access those benefits.

Throughout the pandemic situation, Austin Energy continued to connect with the community. Connecting those we serve with the services they need — like Utility Bill Relief — has been an important way for Austin Energy to support the struggling community. Thanks to today's technology, we have been able to keep a personal touch in our community engagement, even as we have shifted to virtual solutions.

For example, the Austin Energy Green Building team turned their in-person site verifications into a digital process, keeping the same level of service and connection while prioritizing safety. Site visits are vital to the rating system, making sure sustainability measures are incorporated into the property. Using video calls and conferencing, the Austin Energy Green Building team was able to work with the builder or owner to see the various measures in place, talking through solutions for any issues they came across.

There has been positive feedback for virtual inspections, and the digital format helped the residential team break the program's record for most homes rated in a single year — rating 700 homes with 58 percent in S.M.A.R.T. housing developments plus 496 homes outside of the Austin Energy service area.



SMILE FOR THE CAMERA.

In May, the architect of a newly renovated home took Utility Strategist Catherine Lee Doar on a tour around the project. The difference with this site visit was that Doar fit in the palm of the architect's hand, thanks to video calling. *Doar said the virtual connection made it so she could "...talk about any issues and provide solutions instead of just providing them with a list."*

This video will show you more of what goes into a virtual site verification.



Providing a Light Through the Pandemic

Our Helping Hands go a Long Way

Austin Energy is in the unique position to help the community both locally and across the United States. Public power utilities are like family, and when one needs help, the whole family bands together to provide assistance. 2020 had an incredibly active hurricane season with 30 named storms forming in the Atlantic. So active that it set a record for most named storms, beating out 2005's 28 storms for the distinction. Some of these storms caused significant damage to our sister utilities, and Austin Energy answered two calls for mutual aid.

Of course, safety is always top priority at Austin Energy, and deploying aid during a pandemic requires extra care and consideration. Crews only worked with other Austin Energy staff, stayed with their same team members and other COVID-19 safety procedures.

In trying times, Austin Energy shines in the care and concern we have for the community, both locally and across the United States.

HERE TO HELP.

Here's how Austin Energy helped restoration efforts after severe weather.

Hurricane Hanna — South Texas

- 16 employees sent
- 5 bucket trucks
- 2 digging derricks
- 3 support vehicles

Hurricane Delta — Louisiana

- 15 employees sent
- 7 bucket trucks
- 3 digging derricks
- 2 support vehicles

[Click here to watch a video on our restoration efforts in Louisiana after Hurricane Delta.](#)





“I am sending this email to express my deepest appreciation for the assistance you provided the City of Abbeville after Hurricane Delta.

The Electrical Crews you sent were very professional, well trained and knowledgeable about the task at hand. They are exceptional hard workers and were a tremendous help to us in restoring electricity.

It is comforting to know we have cities willing to help other public power municipalities in their time of need.”

— Mark Piazza,
Mayor, City of Abbeville, La.

Planning How to Light Our Community's Future

To keep powering our community well into the future, Austin Energy has a plan. In March, the Austin City Council approved Austin Energy's Resource, Generation and Climate Protection Plan to 2030 — an update to the previous generation plan. This Plan commits Austin Energy to continuing to provide affordable, dependable and safe electric service to customers while pursuing the City of Austin's sustainability and climate goals. The Plan, developed in conjunction with a stakeholder working group, lays out goals and objectives for our generation assets, carbon reduction and energy efficiency and demand response. In short, it is how we can continue to light our community's future.

RESOURCE, GENERATION and CLIMATE PROTECTION Plan to 2030



Customer Driven.
Community Focused.™

REACH for Carbon Free by 2035

Austin Energy will **accelerate** the reduction of **carbon emissions** by its legacy plants in the most **economic** manner available. **REACH** is expected to **reduce** the utility's **carbon emissions** from its coal plant by **30 percent** between adoption and exit from Fayette Power Project, with around **7.6 percent** each year after that.

REACH — Reduce Emissions Affordably for Climate Health



Commitment to **100 percent carbon-free** generation by **2035**.

Interim goal of **93 percent carbon-free** generation by **2030**.



GOALS

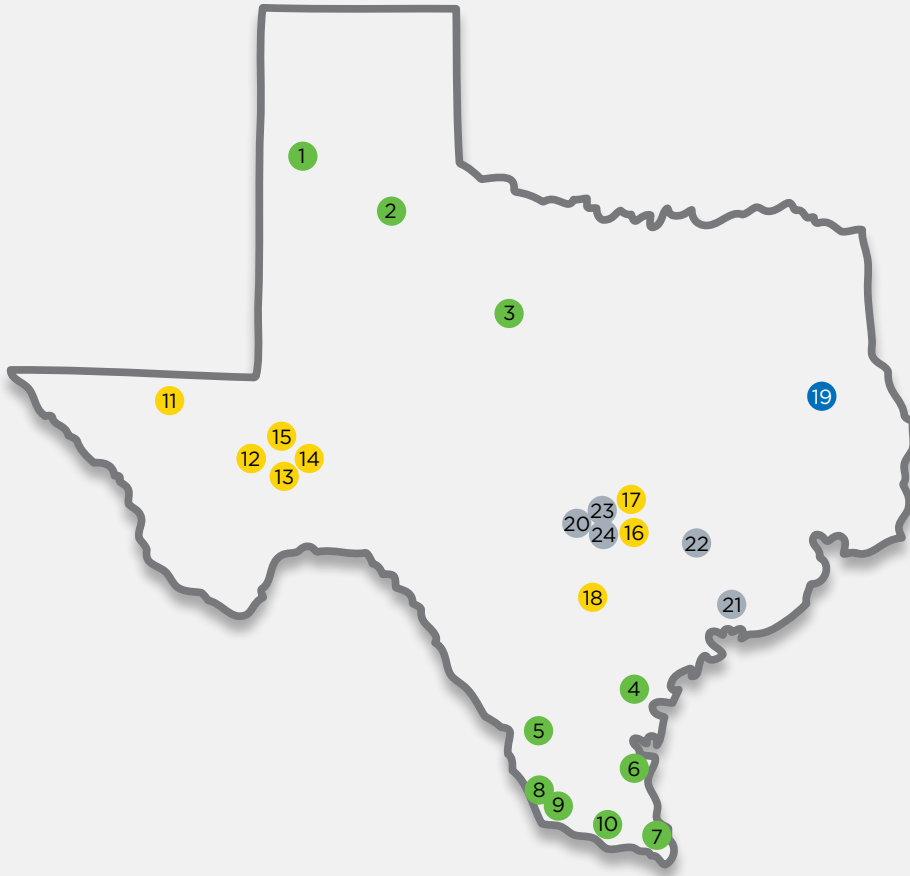


- **Add no new** Austin Energy **carbon-generating** assets.
- **Retire Decker steam units** in **2020, 2021**.
- **Exit** Austin Energy's **share of Fayette** at end of **2022**.

You can find all the goals and recommendations of the 2030 Plan at austinenergy.com/go/genplan.

GENERATION PROTECTS CUSTOMERS FROM HIGH MARKET COSTS

AUSTIN ENERGY GENERATION RESOURCES ALL ACROSS TEXAS



From Far West Texas to the Texas coast and from traditional to renewable energy, Austin Energy's diverse generation investments make a difference all across the state. A significant piece of this investment is renewable energy. As part of the Generation Plan, renewable investments help bring us closer to our goal of reaching 100 percent carbon-free generation by 2035. The map above gives a better idea of how the work we do here can have a positive effect throughout Texas.

1	Jumbo Road	Wind	300 MW
2	Whirlwind	Wind	60 MW
3	Hackberry	Wind	165 MW
4	Karankawa	Wind	206 MW
5	Whitetail	Wind	92 MW
6	Gulf*	Wind	170 MW
7	Los Vientos 2	Wind	200 MW
8	Los Vientos 3	Wind	200 MW
9	Los Vientos 4	Wind	200 MW
10	Raymond*	Wind	200 MW
11	Aragorn	Solar	180 MW
12	Roserock	Solar	157 MW
13	Waymark	Solar	178 MW
14	East Pecos	Solar	118 MW
15	Upton	Solar	157 MW
16	Webberville	Solar	30 MW
17	East Blackland*	Solar	144 MW
18	Pandora*	Solar	250 MW
19	Nacodoches	Biomass	100 MW
20	Mueller	CHP	6 MW
21	South Texas	Nuclear	419 MW
22	FPP	Coal	604 MW
23	Decker Creek	Gas	944 MW
24	SHEC	Gas	595 MW

***These resources will come online in the future.**



In addition to keeping the power flowing for our community, Austin Energy is also helping keep Austin cool through our District Cooling system. To keep up with a growing population and scorching Central Texas summers, we have almost finished construction on **District Cooling Plant #3**.

Located on a crescent-shaped property in the Seaholm eco-district, this new cooling plant will deliver an additional 10,000 tons of chilled water to the **downtown chilled water loop**. In 2020, crews installed four 2,500 ton water cooled centrifugal chillers as well as nine cooling towers. This plant cools the water to 36 degrees to help keep downtown buildings cool.

Though the location of the plant is great for the system, being in the Seaholm eco-district means the plant is shoulder to shoulder with residences. To minimize sound levels for the community, the cooling towers and fans were fitted with several sound absorbing features.

The plant will be completed and operational in early 2021.

KEEPING OUR HEAD IN THE CLOUDS

There's art to be found in providing power to our community. Working with Art in Public Places, the Cloud Pavilion art installation found a home on the south side of the plant property, facing Electric Drive. The public will have access to the art installation once plant construction is complete.

Take a look at this video to see more about the Cloud Pavilion installation.



Connect with Austin Energy

For Austin Energy, the commitment to being Customer Driven and Community Focused ultimately means making the connection with customers. This is how the utility can provide the safe, affordable and reliable power our community depends on while also meeting their needs beyond electric service. The benefit of public power is that we are there for our customers and the community.

HOW TO CONNECT WITH US

NEWSLETTER

Austin Utilities Now editions are mailed and available electronically in English and Spanish at coautilities.com/go/utilitynews.

 austinenergy.com

 facebook.com/austinenergy

 twitter.com/austinenergy